

No. 12,160

IN THE

United States Court of Appeals  
For the Ninth Circuit

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RALPH D. GOMEZ and WILLIAM HENDER-  
SON, as individuals and co-partners  
doing business under the name of  
Gomez Manufacturing Company,

*Appellants,*

vs.

GRANAT BROS. (a corporation) and JOSEPH  
GRANAT,

*Appellees.*

Appeal from the United States District Court for the  
Northern District of California, Southern Division.

REPLY BRIEF FOR APPELLANTS.

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**QUESTIONS OF PATENTABILITY ALWAYS REVIEWABLE.**

Appellees in their brief (pages 4 and 5) contend that this court, in view of the lower court's findings as to the validity of the patent in suit, may not now review such findings. The evidence in this case, particularly the prior art, conclusively establishes the invalidity of the patent in suit, and the lower court's findings on this point are clearly erroneous and are not supported by either the evidence or the law. Ap-

pellees rely on *Ralph N. Brodie Co. v. Hydraulic Press Mfg. Co.*, 9 Cir., 151 F. (2d) 91, and *Bianchi v. Barili*, 168 F. (2d) 793, to support their theory that this court cannot review the lower court's findings with respect to the validity of the patent in suit. This court did not hold in these cases that questions relating to the validity of a patent in suit could not be reviewed on appeal. These cases merely hold that the burden of proof in cases where the invalidity of the patent in suit is in issue, rests upon the litigant opposing the patent.

The rule applicable here is clearly set forth in *Sales Affiliates v. National Mineral Co.*, 7th C.C.A., 172 F. (2d) 608, 613, as follows:

“Under the federal rules we are not at liberty to review the finding of fact of the District Court unless it is clearly erroneous. *Here the question of whether the patents are valid or invalid depends entirely upon the analysis of prior patents and a comparison of what is taught by them and what is taught by the patentees in the two patents in suit. This is not a case where the findings of fact depend upon disputed evidence or controverted facts, but is rather one where the ultimate findings depend upon whether recorded prior art is such that the patentee has achieved invention over and above the same.* In such a situation, we think the decision of the *Supreme Court in Sanitary Refrigerator Co. v. Winters*, 280 U.S. 30, 31, 74 L. Ed. 174, is directly in point.”

In the case at bar appellants contend that the prior art in evidence here fully anticipates all of the claims

of the patent in suit. The findings of fact (Findings 12, 13, 14, 15, 16, 17 and 18) which are clearly in error and contrary to the controlling principles of law did not depend upon disputed evidence or controverted facts. As a matter of fact appellees produced no evidence whatsoever concerning the prior art either with respect to its pertinency or its relevancy. These findings of fact were therefore not dependent upon disputed evidence or controverted facts. The question as to the validity of the patent in suit depends upon an analysis of the prior patents here in evidence and a comparison of what is disclosed by them with what is taught by the patent in suit. This court has the authority to examine the prior art in evidence here with a view of determining whether the patent in suit is anticipated or lacks patentable novelty, and in this respect it may determine whether the findings of fact of the lower court on this issue are erroneous. This court has already ruled (*Carson Investment Co. v. Anaconda Copper Mining Co.*, 9 C.C.A., 26 F. (2d) 651, 661) that the appellate court need not adopt the findings of the trial judge.

In *Koochook Co. v. Barrett*, 8 Cir., 158 F. (2d) 463, 467, it was held that:

“\* \* \* the findings of invention and validity are not sustained by the evidence and are clearly erroneous.”

This court in *Willamette-Hyster Co. v. Pacific Car & Foundry Co.*, 9th Cir., 122 F. (2d) 492, 499, stated as follows:



“We therefore hold that the validity of both the Walker and the Norse and Wicks patents may properly be considered on appeal.”

As pointed out in appellants' opening brief, it is apparent upon an examination of the prior art in this case that the patent in suit is invalid because the subject matter thereof is fully anticipated and that it is devoid of patentable novelty. It will also become apparent that the findings of fact on the issue of validity (Findings 12, 13, 14, 15, 16, 17 and 18) are clearly erroneous.

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#### FINDING 17.

Appellees in their brief, page 6, contend that substantial evidence supports the finding “that the prior art before the Patent Office was the most pertinent prior art on the subject of the patent in suit.” The evidence on this point consists in the Harris patent, the Book of Prior Art Patents (Plaintiffs' Exhibit 3), and the File History of the patent in suit (Plaintiffs' Exhibit 2). The Harris patent discloses two rings held in interlocked relationship by a *plurality of clips* arranged at opposite sides of the rings. This was the *only* patent considered by the Patent Office examiner during the prosecution of the patent application. The Thomas patent in particular is a much closer reference than Harris, since it discloses a single lug or projection on the side of one ring interlocked within a recess in the side of the other ring. The interlocking



means of this patent operates to hold the two rings against relative rotation as well as against detachment when worn on a person's finger. The patent in suit discloses substantially the same type of connection; namely, a lug or projection on the side of one ring fitting within the recess in the side of the other ring. In both Thomas and in the patent in suit the single connecting means is mechanically the same, since they function in the same manner, comprise substantially the same elements (a lug and a recess) and are positioned in the same relative positions with respect to the crown portions of the rings.

The representative prior art patents such as Atkinson, Hubbard, etc., showing the common use in various arts, of dovetail tongue and groove connecting means, was not considered by the Patent Office examiner during the prosecution of the Granat patent application. This prior art when considered in connection with the Thomas and other patents showing mechanically connected ring ensembles, is particularly pertinent. In the light of the legal principles set forth in the various court decisions cited in appellants' opening brief, this prior art must be considered on an equal footing with respect to the prior art showing mechanically locked ring ensembles. Appellees do not deny the pertinency of these prior art patents and the lower court does not find against their pertinency.

Finding of fact 17 is contrary to the evidence and is clearly erroneous. Conclusion of Law No. 2, directed to the presumption of validity, is also clearly

erroneous and not established by the evidence, since it states that the presumption of validity has not been overcome by the evidence.

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**FINDINGS NOS. 12, 13 AND 18.**

**(Appellees' Brief, page 9.)**

These findings are directed to the patentability of the purported Granat invention, and they are based on the lower court's deductions with respect to the prior art. The evidence on this subject is contained in the Book of Prior Art Patents (Plaintiffs' Exhibit 3), and, as indicated above, the prior art conclusively anticipates the patent in suit and clearly proves that patentable novelty is not present in the purported Granat invention. The error in these findings is fully discussed in appellants' brief under the headings "(a) The Patent in Suit is Anticipated by the Prior Art," page 12, and "(c) The Combination of the Patent in Suit Does Not Constitute Invention," page 35. These findings in view of the evidence and the controlling principles of law are clearly erroneous.

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**FINDINGS NOS. 16 AND 5.**

On pages 10 to 14 of appellees' brief findings 16 and 5 are linked with the "Second Basis of Appellants' Appeal" relating to the fatal defect in the claims. It should be noted that the arguments given on these pages do not touch on appellants' defense concerning the fatal defect in the claims of the patent

in suit. The arguments and decisions on this point are fully given on pages 30, 31, 32, 33 and 34 of appellants' opening brief. *The basic fact that the claims of the patent in suit are entirely invalid because they define an exhausted combination, is not open to contradiction.* The patent in suit speaks for itself. This defense involves a question of fact as well as one of law, since in the first instance it must be recognized that it is old in the art to secure two rings together in interlocked relationship, and in the second instance it is a matter of law whether such an assembly is an exhausted combination. Finding of fact No. 5, which states that the claims of the patent in suit are not for an exhausted combination but properly define a patentable invention, is not supported by the evidence or law, and is clearly erroneous. *Willamette-Hyster Co. v. Pacific Car & Foundry Co.*, 9th Cir. 122 F. (2d) 492, 499, 500.

As to finding 16, it is not to be linked with finding 5, since they are related to entirely distinct matters. Finding 16 is directed to so-called mechanical skill embodied in the subject matter of the patent in suit over the prior art. This matter is fully discussed in appellants' opening brief under the headings "(a) The Patent in Suit is Anticipated by the Prior Art," page 12, and "(c) The Combination of the Patent in Suit Does Not Constitute Invention."

While on this subject a brief discussion of the cases relied upon by appellees in support of the validity of the patent in suit should be given.

In the case of *Young Radiator Co. v. Modine Mfg. Co.*, quoted from at page 13 of appellees' brief, the combination of old elements of the patent there in suit performed a number of uses which were new in the art. The patent was upheld on the ground that the combination performed a function which "for half a century no mechanic so far as the record shows had ever suggested such use." (55 F. (2d) 547). Here the patent in suit fails utterly to present the elements of a patentable combination. The two rings held in interlocked relationship is not new in the art; and the dovetail tongue and groove connecting means is neither new nor different in its operation from the connecting means shown in Thomas, Kaas and Bullard. All of these prior art patents disclose connecting means which holds two rings in interconnected relationship so neither can turn independently of the other or become detached when worn on a person's fingers. An examination of the patent in suit will readily disclose that the connecting means of the Granat ring ensemble functions in the same manner as the connecting means of the prior art.

In the *Wagner Mfg. Co. v. Porter Steel Specialties* case, page 12 of appellees' brief, the subject matter of the patent there in suit related to a carpet sweeper having brush cleaning means. The patent was upheld on the ground that the invention covered thereby included an element which performed an entirely new function. That is not the case here. The dovetail tongue and groove connecting means of the patent in suit performs the same function as the connecting means of



Thomas, Kaas and Bullard, namely the holding of two rings in interconnected relationship. This type of connecting means functions no differently when used to connect two rings together than it does when holding pipes, barrel staves, or other members in connected relationship.

In the case of *Washburn & Moen Mfg. Co. et al. v. Beat 'Em All Barbed Wire Co., et al.*, cited at page 13 of appellees' brief, the patent was upheld on the ground that the patentee was the first to combine a coiled barb with twisted lengths of wire. This novel arrangement performed two new functions in the art; namely, the preventing of the barbs from turning and the preventing of the barbs from shifting along the strands of twisted wire. In the case at bar, the tongue and groove connecting means of the patent in suit performs no new function with respect to the two rings of the ensemble. It holds them in connected relationship so they do not independently turn or become detached. The connecting means of Thomas, Kaas and Bullard each do the same thing, and the tongue and groove connecting means of the other prior art patents also function in this same manner with respect to the members they join together.

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#### FINDINGS OF FACT 12, 13, 14, 15, 16.

Appellees' argument on pages 15, 16, 17 and 18 of their brief contends that this court is bound by the lower court's findings with respect to patentable nov-

elty, invention and anticipation. As previously discussed in the first part of this reply brief, this court may examine into the recorded prior art to determine whether a patent is valid, notwithstanding a finding by the lower court on this point. In the present case the evidence as represented by the prior art conclusively shows the patent in suit to be anticipated and lacking in patentable novelty. These findings are not supported by the evidence and are clearly erroneous. A full discussion of the grounds supporting this statement is to be found in appellants' opening brief commencing on page 12 under the heading "(a) The Patent in Suit is Anticipated by the Prior Art," and on page 35 under the heading "(c) The Combination of the Patent in Suit Does Not Constitute Invention."

Appellee contends that the patented structure accomplishes a latching of a wedding ring and an engagement ring in a manner substantially different than the prior art and by means substantially different from the prior art, thereby producing the old result in a novel and improved manner. (Finding 12.) Such an assumption is erroneous and this finding has no basis in the evidence in this case. The dovetail tongue and groove connecting means of the patent in suit holds the two rings of the ensemble in connected relationship so they do not turn independently of each other or become detached. This same result is accomplished by the connecting means of Thomas, for instance. There is no difference whatsoever in the results accomplished by the combination of the patent in suit over the results accomplished by the

Thomas, Kaas and Bullard patents. The means employed in latching the two rings of the patent in suit together is substantially the same as the means shown in Thomas. In both instances a lug on the side of one ring fits within a recess in the side of the other ring. There is but a slight change in the shapes of the lugs and recesses, and such change certainly comes under the category of "mechanical skill" rather than invention, especially in view of the teachings of such patents as Hubbard, Mittleburg, etc., which disclose the same type of connecting means. A reading of the decision of the United States Supreme Court in *Cuno Engineering Corp. v. Automatic Devices Corp.*, 314 U.S. 84, Appellants' Opening Brief, page 16, and this court's decision in *Wilson-Western Supporting Goods Co. v. Barnhart*, 9th C.C.A., 81 F. (2d) 108, 110, Appellants' Opening Brief, page 38, should readily indicate to this court that patentable novelty does not reside in the combination of the patent in suit. Continuing with Finding 12, "and produced the old result in a novel and improved manner," it is to be noted that the result accomplished by the latching together of the rings of the Granat ensemble *is most certainly old*, and that such result is not new or improved. The latching of the two rings together is not novel, nor is the means accomplishing this result new. The result of latching the rings together is not improved or new, since in Thomas, Kaas and Bullard, the same results are performed by substantially the same means.

The ruling in the cited case of *Cantrell v. Wallick*, 117 U.S. 689, is not particularly pertinent here, par-



ticularly since the subject matter of the patent in question is wholly different. In that case the issue was whether an improvement patent having all of the elements of an old patent plus another was valid. Here no such question has been raised and obviously all of the elements of the patent in suit are found in the prior art.

Neither is the case of *Independent Oil Well Cementing Co. v. Halliburton*, 54 F. (2d) 900, particularly in point here. The subject matter of the patents there in suit related to oil well cementing equipment. The following quotation from this case is more in point here than that recited in appellees' brief:

“When the respective individual functions of the elements assembled are not changed and where they produce no result other than the added results of such functions, there is a mere aggregation of elements.”

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#### FINDING NO. 23.

Finding 23 states that defendant Granat Bros. has been damaged in an amount equal to eight per cent (8%) of the retail sales price of the infringing rings manufactured and sold by or for plaintiffs. Conclusion of law No. 6 states that Granat Bros. is entitled to a judgment against plaintiffs in a sum equal to this amount.

Appellants are and have been wholesalers only. They have no control over the retail sales of their merchandise after it is once sold to their customers. The evi-

dence in this case clearly shows that appellants are not engaged in selling ring ensembles in the retail trade. The lower court's conclusion of law and the judgment entered herein requires plaintiffs to account for profits they have not made and from sales over which they have had no control. The ruling of the District Court is clearly erroneous and should be set aside.

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PAGES 19 AND 23 OF APPELLEES' BRIEF.

In answering appellees' arguments relating to "Commercial Success" and to "Tribute Paid the Patentee etc.," a most suitable reply is given by this court in *Wilson-Western Sporting Goods Co. v. Barnhart*, 9th Circuit, 81 F. (2d) 108, 111, as follows: .

“ ‘The design of the patent laws is to reward those who make some substantial discovery or invention, which adds to our knowledge and makes a step in advance in the useful arts. Such inventors are worthy of all favor. It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufactures. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement

of the art. It embarrasses the honest pursuit of business with fears and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith.' *Atlantic Works v. Brady*, 107 U.S. 199,200.

"In the half century since the foregoing decision was rendered, 'the process of development in manufactures' has been greatly accelerated. Hence the Supreme Court's words of warning are applicable with even greater force today than when they were uttered."

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#### CONCLUSION.

It is therefore submitted that the patent in suit is invalid; that the findings of fact supporting the patent are clearly erroneous and should be set aside; and that the judgment of the lower court should be reversed.

Dated, San Francisco, California,

May 2, 1949.

Respectfully submitted,

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